



COMMUNITY DEVELOPMENT COMMISSION
of the County of Los Angeles

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Sean Rogan
Executive Director

August 4, 2009

ADOPTED

Community Development Commission

Honorable Board of Commissioners
Community Development Commission
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, CA 90012

1-D

AUGUST 11, 2009

Sachi A. Hamai
SACHI A. HAMAI
EXECUTIVE OFFICER

Dear Commissioners:

**APPROVE CONTRACT WITH ESSERGY CONSULTING TO PROVIDE A
FEASIBILITY STUDY FOR SUSTAINABLE/RENEWABLE ENERGY INCUBATOR
SERVICES (DISTRICT 1) (3 VOTE)**

SUBJECT

This letter recommends approval of an Incubator Feasibility Study Services Contract (Contract) with Essergy Consulting. Essergy Consulting will study the feasibility of a sustainable/renewable energy technology business incubator in the Whiteside Redevelopment Project Area, which is located in unincorporated East Los Angeles. The study will evaluate the area's market potential to absorb this type of technology incubator and generate new high-skill, high-wage jobs.

IT IS RECOMMENDED THAT YOUR BOARD:

1. Find that approval of a Contract for a sustainable/renewable energy technology business incubator is not subject to the provisions of the California Environmental Quality Act because the action will not have the potential for causing a significant effect on the environment.
2. Award and authorize the Executive Director to execute, administer, implement and if necessary terminate the Contract with Essergy Consulting to evaluate the market potential to absorb a sustainable/renewable energy technology business incubator in the Whiteside Redevelopment Project Area, with a focus on generating new high-skill, high-wage jobs.
3. Authorize the Executive Director to execute the Contract, in the amount of \$68,500, using interest earned from First Supervisorial District construction projects administered by the Commission, and authorize the Executive Director



to incorporate the funds into the Commission's Fiscal Year 2009-2010 approved budget.

PUPOSE/JUSTIFICATION OF RECOMMENDED ACTION

The purpose of this action is to approve a Contract with Essergy Consulting to provide a feasibility study for a sustainable/renewable energy technology business incubator in the Whiteside Redevelopment Project Area.

FISCAL IMPACT/FINANCING

There is no impact on the County general fund.

The Contract will be funded with \$68,500 in interest earned from First Supervisorial District construction projects administered by the Commission's Construction Management Division. These funds will be incorporated in the Commission's Fiscal Year 2009-2010 approved budget.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

Business incubation is a business support process that accelerates the successful development of start-up and fledging companies by providing entrepreneurs with an array of targeted resources and services. These services are usually developed or orchestrated by incubator management and offered both in the business incubator and through its network of contacts. A business incubator's main goal is to produce successful firms that will leave the program financially viable and freestanding. These incubator graduates have the potential to create jobs, revitalize neighborhoods, commercialize new technologies, and strengthen local and national economies.

The focus of the feasibility study will be to answer two key questions: 1) Does adequate entrepreneurial activity and demand exist within the Whiteside Redevelopment Project Area so that a business incubator could attract sufficient number of technology entrepreneurs and remain fully occupied, and 2) what, if any, other specific adjacent industry sectors show the most promise and demand for business incubation? Essergy Consulting will complete the study within four months of execution of the Contract.

If the feasibility study demonstrates potential for a successful sustainable/renewable energy incubator, we may return to your Board for approval for phases two and three of the study, contingent upon availability of funds and Essergy Consulting's satisfactory performance. In Phase two Essergy Consulting would consult on design and construction of the incubator, writing a business plan, and obtaining the required funding to guide the project to completion. This phase would be completed in approximately four years. Phase three would consist of making the incubator operational and would be completed in less than three months. Phases two and three would be funded with a maximum of \$390,000.

Should Essergy Consulting require additional or replacement personnel after the effective date of this Contract, it will give consideration for any such employment openings to participants in the County's Department of Public Social Services' Greater Avenues for Independence (GAIN) Program who meet the minimum qualifications for the open position. Essergy Consulting will contact the County's GAIN Division for a list of GAIN participants by job category.

ENVIRONMENTAL DOCUMENTATION

Approval of a Contract for a feasibility study is not subject to the provisions of the California Environmental Quality Act (CEQA) pursuant to State CEQA Guidelines Sections 15060(c)(3) and 15378, because it is not defined as a project under CEQA and does not have the potential for causing a significant effect on the environment.

CONTRACTING PROCESS

On March 4, 2009, an outreach was initiated to identify a firm to provide incubator feasibility study services for the Commission. The Request for Proposals (RFP) was advertised on the County WebVen and the Commission's Online Solicitation System.

On March 30, 2009, a total of five proposals were received, including a proposal from Essergy Consulting. Two of the five proposals were disqualified because they did not meet the requirements set forth in the RFP.

On April 22, 2009, a panel of Commission staff evaluated the proposals and determined that Essergy Consulting was fully responsive to the RFP and provides the most cost-effective service.

The summary of outreach activities is provided as Attachment A.

IMPACT ON CURRENT PROGRAM:

The proposed Contract will determine if there is potential for development of a sustainable/renewable energy technology business incubator in the Whiteside area of unincorporated East Los Angeles, which could bring well-paying jobs to the area.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Sean Rogan", followed by a horizontal line.

SEAN ROGAN
Executive Director

Attachments: 2

ATTACHMENT A

Summary of Outreach Activities Incubator Feasibility Study Services Agreement

On March 4, 2009, the following outreach was initiated to identify a consultant to perform a feasibility study for a sustainable/renewable energy technology business incubator in the Whiteside Redevelopment Project Area, located in unincorporated East Los Angeles.

A. Advertising

An announcement was posted on the Community Development Commission's Online Solicitation System and the County WebVen website.

B. Distribution of Requests for Proposals Packages

The Commission's vendor list was used to provide notice of Request for Proposals (RFP) to 214 consultants, of which 114 identified themselves as businesses owned by minorities or women (private firms which are 51 percent owned by minorities or women, or publicly-owned businesses in which 51 percent of the stock is owned by minorities or women). As a result of the outreach, 42 RFP bid packages were requested and downloaded from the Commission's website.

C. Pre-Proposal Conference

On March 17, 2009, a pre-proposal conference was conducted. Fourteen firms were in attendance.

D. Proposal Results

On March 30, 2009, a total of five proposals were received, two were determined non-responsive to the RFP due to lack of meeting minimum requirements. The results of the remaining three proposals were as follows:

<u>Company</u>	<u>Evaluation Points</u>
Essergy Consulting	1000
ANGLE Technology	675
Economic Consulting Services	187

E. Minority/Female Participation – Selected Consultant

<u>Name</u>	<u>Ownership</u>	<u>Employees</u>
ESSERGY Consulting, LLC	Female	Total: 2 0 (0%) <u>Minorities</u> 1 (50%) <u>Women</u>

F. Minority/Female Participation – Consultants Not Selected

<u>Name</u>	<u>Ownership</u>	<u>Employees</u>
ANGLE Technology, LLC	Non-minority	Total: 4 0 (0%) <u>Minorities</u> 2 (50%) <u>Women</u>
Economic Consulting Services	Non-minority	Total: 3 0 (0%) <u>Minorities</u> 0 (33%) <u>Women</u>

The Community Development Commission conducts ongoing outreach to include minorities and women in the contract award process, including providing information at local and national conferences; conducting seminars for minorities and women regarding programs and services; advertising in newspapers to invite placement on the vendor list; and mailing information to associations representing minorities and women. The above information has been voluntarily provided to the Community Development Commission.

The recommended award of the Agreement is being made in accordance with the Community Development Commission's policies and federal regulations, and without regard to race, creed, color, or gender.

WHITESIDE SUSTAINABLE/RENEWABLE ENERGY INCUBATOR FEASIBILITY STUDY SERVICES CONTRACT

This Contract is made and entered into this _____ day of _____, _____, by and between the Community Development Commission of the County of Los Angeles, hereinafter referred to as "Commission", and ESSERGY Consulting, hereinafter referred to as "Contractor."

RECITAL

1. PURPOSE

The Contractor is in the business of providing needed Whiteside sustainable/renewable energy incubator feasibility study services. On March 4, 2009, in response to the Commission's Invitation for Bids, Contractor submitted a bid to furnish the hereinafter-described incubator feasibility study services to the Commission.

TERMS AND CONDITIONS

2. TERM

This Contract shall commence on _____, _____ and shall remain in full force and effect for four (4) months until _____, _____ unless sooner terminated as provided herein. This Contract may be extended for an additional month at the sole discretion of the Executive Director of the Commission.

3. CONTRACTOR'S RESPONSIBILITIES

The Contractor agrees to perform in a good workmanlike manner, to the satisfaction of the Commission's Executive Director, all the work described in the attached Statement of Work, Attachment A.

4. COMPENSATION

The Contractor shall submit to the Commission on the ____ day of each month an invoice on a form approved by the Commission for services rendered, as described in Attachment A, Statement of Work. Upon receipt and approval, the Commission will pay the Contractor within thirty (30) days of receipt and approval of the invoice in accordance with Attachment B, Fee Schedule. The amount of compensation under this Contract shall not exceed sixty-eight thousand five hundred Dollars (\$68,500.00), which shall include all related expenses. The Contractor shall be paid in accordance with the Commission's standard accounts payable system.

The Contractor shall have no claim against the Commission for payment of any money or reimbursement, of any kind whatsoever, for any service provided by the Contractor after the expiration or other termination of this Contract. Should the Contractor receive any such payment, it shall immediately notify the Commission and shall immediately repay all such funds to the Commission. Payment by the Commission for services rendered after expiration or termination of this Contract shall not constitute a waiver of the Commission's right to recover such payment from Contractor. This provision shall survive the expiration or other termination of this Contract.

5. SOURCE AND APPROPRIATION OF FUNDS

The Commission's obligation is payable only and solely from funds appropriated through interest earned from the First Supervisorial District construction projects.

6. TERMINATION FOR IMPROPER CONSIDERATION

The Commission may, by written notice to the Contractor, immediately terminate the right of the Contractor to proceed under this Contract, if it is found that consideration, in any form, was offered or given by Contractor, either directly or through an intermediary, to any County office, employee or agent with the intent of securing this Contract or securing favorable treatment with respect to the award, amendment or extension of this Contract or the making of any determinations with respect to the Contractor's performance pursuant to this Contract. In the event of such termination, the Commission shall be entitled to pursue the same remedies against the Contractor as it could pursue in the event of default by the Contractor.

The Contractor shall immediately report any attempt by a Commission officer or employee to solicit such improper consideration. The report shall be made either to the Commission's Executive Director or to the County Auditor-Controller's Employee Fraud Hotline at (800) 544-6861.

Among other items, such improper consideration may take the form of cash, discounts, service, the provision of travel or entertainment, or tangible gifts.

7. ASSIGNMENT BY CONTRACTOR

The Contractor shall not assign its rights or delegate its duties under the Contract, or both, whether in whole or in part, without the prior written consent of the Commission, in its discretion, and any attempted assignment or delegation without such consent shall be null and void. For purposes of this paragraph, Commission consent shall require a written amendment to the Contract, which is formally approved and executed by the parties. Any payments by the Commission to any approved delegate or assignee on any claim under the Contract shall be deductible, at the Commission's sole discretion, against the claims, which the Contractor may

have against the Commission. However, the Commission reserves the right to assign this Contract to another public agency without the consent of the Contractor.

Shareholders, partners, members, or other equity holders of the Contractor may transfer, sell, exchange, assign, or divest themselves of any interest they may have therein. However, in the event any such sale, transfer, exchange, assignment, or divestment is affected in such a way as to give majority control of the Contractor to any person(s), corporation, partnership, or legal entity other than the majority controlling interest therein at the time of execution of the Contract, such disposition is an assignment requiring the prior written consent of the Commission in accordance with applicable provisions of this Contract.

Any assumption, assignment, delegation, or takeover of any of the Contractor's duties, responsibilities, obligations, or performance of same by any entity other than the Contractor, whether through assignment, subcontract, delegation, merger, buyout, or any other mechanism, with or without consideration for any reason whatsoever without the Commission's express prior written approval, shall be a material breach of the Contract which may result in the termination of the Contract. In the event of such termination, the Commission shall be entitled to pursue the same remedies against the Contractor as it could pursue in the event of default by the Contractor.

8. CONFIDENTIALITY OF REPORTS

The Contractor shall keep confidential all reports, information and data received, prepared or assembled pursuant to performance hereunder. Such information shall not be made available to any person, firm, corporation or entity without the prior written consent of the Commission.

9. SUBCONTRACTING

The Contractor may subcontract only those specific portions of work allowed in the original specifications covered by this Contract with prior written approval by the Commission.

The Contractor shall not subcontract any part of the work covered by this Contract or permit subcontracted work to be further subcontracted without prior written approval by the Commission.

10. INSURANCE

Without limiting Contractor's indemnifications provided in this Contract, Contractor shall procure and maintain, at Contractor's sole expense for the duration of this Contract, the insurance policies described herein. Such insurance shall be secured from carriers admitted in California, or authorized to do business in California. Such carriers shall be in good standing with the California Secretary of State's Office and

the California Department of Insurance. Such carriers must be approved by the California Department of Insurance and must be included on the California Department of Insurance List of Eligible Surplus Line Insurers (hereinafter "LESLI"). Such carriers must have a minimum rating of or equivalent to A:VIII in Best's Insurance Guide. Contractor shall, concurrent with the execution of this Contract, deliver to the Commission certificates of insurance with original endorsements evidencing the insurance coverage required by this Contract. If original endorsements are not immediately available, such endorsements may be delivered subsequent to the execution of this Contract, but no later than thirty (30) days following execution of this Contract. The certificates and endorsements shall be signed by a person authorized by the insurers to bind coverage on its behalf. The Commission reserves the right to require complete certified copies of all policies at any time. Said insurance shall be in a form acceptable to the Commission and may provide for such deductibles as may be acceptable to the Commission. Any self-insurance program and self-insured retention must be separately approved by the Commission. In the event such insurance does provide for deductibles or self-insurance, Contractor agrees that it will defend, indemnify and hold harmless the Commission, its elected and appointed officers, officials, representatives, employees, and agents in the same manner as they would have been defended, indemnified and held harmless if full coverage under any applicable policy had been in effect. Each such certificate shall stipulate that the Commission be given at least thirty (30) days' written notice in advance of any cancellation or any reduction in limit(s) for any policy of insurance required herein. Contractor shall give the Commission immediate notice of any insurance claim or loss which may be covered by insurance. Contractor represents and warrants that the insurance coverage required herein will also be provided by any entities with which Contractor contracts, as detailed below. All certificates of insurance and additional insured endorsements shall carry the following identifier:

ESSERGY Consulting

(Name of Contractor)

The insurance policies set forth herein shall be primary insurance with respect to the Commission. The insurance policies shall contain a waiver of subrogation for the benefit of the Commission. Failure on the part of Contractor, and/or any entities with which Contractor contracts, to procure or maintain the insurance coverage required herein may, upon the Commission's sole discretion, constitute a material breach of this Contract pursuant to which the Commission may immediately terminate this Contract and exercise all other rights and remedies set forth herein, at its sole and absolute discretion, and without waiving such default or limiting the rights or remedies of the Commission, procure or renew such insurance and pay any and all premiums in connection therewith and all monies so paid by the Commission shall be immediately repaid by the Contractor to the Commission upon demand including interest thereon at the default rate. In the event of such a breach, the Commission shall have the right, at its sole election, to participate in and control any insurance

claim, adjustment, or dispute with the insurance carrier. Contractor's failure to assert or delay in asserting any claim shall not diminish or impair the Commission's rights against the Contractor or the insurance carrier.

When Contractor is naming the Commission as an additional insured on any of the insurance policies set forth herein, then the additional insured endorsement shall contain language similar to the language contained in ISO form CG 20 10 10 01. When any entity with which Contractor is contracting, is naming the Commission as an additional insured on any of the insurance policies set forth herein, then the additional insured endorsement shall contain language similar to the language contained in ISO form CG 20 10 11 85.

The following insurance policies shall be maintained by Contractor and any entity with which Contractor contracts for the duration of this Contract, unless otherwise set forth herein:

- A. GENERAL LIABILITY INSURANCE (written on ISO policy form CG 00 01 or its equivalent) with limits of not less than the following:

General Aggregate	\$2,000,000
Products/Completed Operations Aggregate	\$1,000,000
Personal and Advertising Injury	\$1,000,000
Each Occurrence	\$1,000,000

The Community Development Commission of the County of Los Angeles (Commission), the Housing Authority of the County of Los Angeles (Housing Authority), the County of Los Angeles (County), and each of their agents, officers, officials and employees, shall be covered as additional insureds on such policy.

- B. AUTOMOBILE LIABILITY INSURANCE (written on ISO policy form CA 00 01 or its equivalent) with a limit of liability of not less than \$1 million for each incident. Such insurance shall include coverage of all "owned", "hired" and "non-owned" vehicles, or coverage for "any auto".

- C. WORKERS' COMPENSATION and EMPLOYER'S LIABILITY insurance providing worker's compensation benefits, as required by the Labor Code of the State of California.

In all cases, the above insurance also shall include Employer's Liability coverage with limits of not less than the following:

Each Accident	\$1,000,000
Disease-policy limit	\$1,000,000
Disease-each employee	\$1,000,000

D. PROFESSIONAL LIABILITY INSURANCE, including coverage for personal injury, death, property damage, and contractual liability in an amount not less than One Million Dollars (\$1,000,000) for each occurrence (Two Million Dollars (\$2,000,000) general aggregate). Said insurance shall be maintained for the statutory period during which the professional maybe exposed to liability. If Contractor is not providing professional services, then it is the responsibility of Contractor to obtain separate written approval from Commission to eliminate this professional liability insurance requirement. Contractor shall require that the aforementioned professional liability insurance coverage language be incorporated into its contract with any other entity with which it contracts for professional services.

Contractor agrees that it will require all of the above mentioned insurance requirements be incorporated in its contract with any entity with which it contracts in relation to this Contract or in relation to the property or project that is the subject of this Contract.

11. INDEMNIFICATION

The Contractor shall indemnify, defend and hold harmless the Commission, Housing Authority, County, (hereinafter collectively referred to as "Public Agencies") and each of their elected and appointed officers, officials, representatives, employees, and agents (hereinafter collectively referred to as "Agents") from and against any and all liability, demands, damages, claims, causes of action, expenses, and fees (including reasonable attorney's fees and costs and expert witness fees), including, but not limited to, claims for bodily injury, property damage, and death (hereinafter collectively referred to as "Liabilities"), that arise out of, pertain to, or relate to Contractor's acts, errors, or omissions, and/or relating to this Contract. Contractor shall not be required to indemnify, defend, and hold harmless the Public Agencies and their Agents from any Liabilities that arise from the sole negligence or willful misconduct of the Public Agencies. This indemnification provision shall remain in full force and effect and survive the termination and/or expiration of this Contract. Contractor agrees to require any and all entities with which it contracts to agree to and abide by the above mentioned indemnification requirements in favor of the Public Agencies and their Agents as applicable to each of them.

12. COMMISSION'S QUALITY ASSURANCE PLAN

The Commission will evaluate Contractor's performance under this Contract on not less than an annual basis. Such evaluation will include assessing Contractor's compliance with all contract terms and performance standards. Contractor deficiencies, which Commission determines are severe or continuing and that may place performance of the Contract in jeopardy, if not corrected, will be reported to the Board of Commissioners. The report will include improvement/corrective action measures taken by the Commission and Contractor. If improvement does not occur consistent

with the corrective measure, the Commission may terminate this Contract, pursuant to Paragraph 13 or 14, or impose other remedies as specified in this Contract.

A performance review will be conducted no later than ninety (90) days prior to the end of the first and second years of this Contract to evaluate the performance of the Contractor. Based on the assessment of the performance review, as determined by the Commission in its sole discretion, written notification will be given to the Contractor whether this Contract will be terminated at the end of the current year or will be continued into the next contract year.

13. TERMINATION FOR CONVENIENCE

The Commission reserves the right to cancel this Contract for any reason at all upon thirty (30) days prior written notice to Contractor. In the event of such termination, Contractor shall be entitled to a prorated portion paid for all satisfactory work unless such termination is made for cause, in which event, compensation if any, shall be adjusted in such termination.

14. TERMINATION FOR CAUSE

This Contract may be terminated by the Commission upon written notice to the Contractor for just cause (failure to perform satisfactorily) with no penalties incurred by the Commission upon termination or upon the occurrence of any of the following events in A, B, C or D:

- A. Should the Contractor fail to perform all or any portion of the work required to be performed hereunder in a timely and good workmanlike manner or properly carry out the provisions of this Contract in their true intent and meaning, then in such case, notice thereof in writing will be served upon the Contractor, and should the Contractor neglect or refuse to provide a means for satisfactory compliance with this Contract and with the direction of the Commission within the time specified in such notice, the Commission shall have the power to suspend or terminate the operations of the Contractor in whole or in part.
- B. Should the Contractor fail within five (5) days to perform in a satisfactory manner, in accordance with the provisions of this Contract, or if the work to be done under this Contract is abandoned for more than three days by the Contractor, then notice of deficiency thereof in writing will be served upon Contractor by the Commission. Should the Contractor fail to comply with the terms of this Contract within five (5) days, upon receipt of said written notice of deficiency, the Executive Director of Commission shall have the power to suspend or terminate the operations of the Contractor in whole or in part.
- C. In the event that a petition of bankruptcy shall be filed by or against the Contractor.

D. If, through any cause, the Contractor shall fail to fulfill, in a timely and proper manner, the obligations under this Contract, or if the Contractor shall violate any of the covenants, Contracts, or stipulations of this Contract, the Commission shall thereupon have the right to terminate this Contract by giving written notice to the Contractor of such termination and specifying the effective date thereof, at least five days before the effective date of such termination. In such event, all finished or unfinished documents, data, studies, surveys, drawings, maps, models, photographs and reports prepared by the Contractor under this Contract shall, at the option of the Commission become its property and the Contractor shall be entitled to receive just and equitable compensation for any work satisfactorily completed.

15. CONTRACTOR'S WARRANTY OF ADHERENCE TO COMMISSION'S CHILD SUPPORT COMPLIANCE PROGRAM

The Contractor acknowledges that the Commission has established a goal of ensuring that all individuals who benefit financially from the Commission through a contract, are in compliance with their court-ordered child, family, and spousal support obligations in order to mitigate the economic burden otherwise imposed upon the taxpayers of the County of Los Angeles.

As required by Commission Child Support Compliance Program and without limiting Contractor's duty under this Contract to comply with all applicable provisions of law, Contractor warrants that it is now in compliance and shall, during the term of this Contract, maintain compliance with employment and wage reporting requirements as required by the Federal Social Security Act (42 USC Section 653a) and California Unemployment Insurance Code Section 1088.5, and shall implement all lawfully served Wage and Earnings Withholding Orders or CSSD Notices of Wage and Earnings Assignment for Child or Spousal Support, pursuant to Code of Civil Procedure Section 706.031 and Family Code Section 5246(b).

16. TERMINATION FOR BREACH OF WARRANTY TO COMPLY WITH COMMISSION'S CHILD SUPPORT COMPLIANCE PROGRAM

Failure of the Contractor to maintain compliance with the requirements set forth in Paragraph 16, "*CONTRACTOR'S WARRANTY OF ADHERENCE TO Commission's CHILD SUPPORT COMPLIANCE PROGRAM*" shall constitute default under this contract. Without limiting the rights and remedies available to Commission under any other provision of this contract, failure of Contractor to cure such default within 90 calendar days of written notice shall be grounds upon which Commission may terminate this contract pursuant to Paragraph 14 - "TERMINATION FOR CAUSE" and pursue debarment of Contractor, pursuant to Commission Policy.

17. POST MOST WANTED DELINQUENT PARENTS LIST

The Contractor acknowledges that the County places a high priority on the enforcement of child support laws and the apprehension of child support evaders. The Contractor understands that it is County's and Commission's policy to strongly encourage all Contractors to voluntarily post an entitled "L.A.'s Most Wanted: Delinquent Parents" poster in a prominent position at Contractor's place of business. The Child Support Services Department (CSSD) will supply Contractor with the poster to be used.

18. INDEPENDENT CONTRACTOR

This Contract does not, is not intended to, nor shall it be construed to create the relationship of agent, employee or joint venture between the Commission and the Contractor.

19. EMPLOYEES OF CONTRACTOR

Workers' Compensation: The Contractor understands and agrees that all persons furnishing services to the Commission pursuant to this Contract are, for the purposes of Workers' Compensation liability, employees solely of the Contractor. Contractor shall bear sole responsibility and liability for providing Workers' Compensation benefits to any person for injuries arising from an accident connected with services provided to the Commission under this Contract.

Professional Conduct: The Commission does not and will not condone any acts, gestures, comments or conduct from the Contractor's employees, agents or subcontractors which may be construed as sexual harassment or any other type of activities or behavior that might be construed as harassment. The Commission will properly investigate all charges of harassment by residents, employees or agents of the Commission against any and all Contractor's employees, agents or subcontractors providing services for the Commission. The Contractor assumes all liability for the actions of the Contractor's employees, agents or subcontractors and is responsible for taking appropriate action after reports of harassment are received by the Contractor.

20. DRUG-FREE WORKPLACE ACT OF THE STATE OF CALIFORNIA

The Contractor certifies under penalty of perjury under the laws of the State of California that the Contractor will comply with the requirements of the Drug-Free Workplace Act of 1990.

21. SAFETY STANDARDS AND ACCIDENT PREVENTION

The Contractor shall comply with all applicable federal, state and local laws governing safety, health and sanitation. The Contractor shall provide all safeguards, safety devices and protective equipment and take any other needed actions, as its own responsibility, reasonably necessary to protect the life and health of employees on the

job and the safety of the public and to protect property in connection with the performance of this Contract.

22. COMPLIANCE WITH LAWS

The Contractor agrees to be bound by all applicable federal, state and local laws, regulations, and directives as they pertain to the performance of this Contract, including but not limited to, the Housing and Community Development Act of 1974, as amended by the Cranston-Gonzalez National Affordable Housing Act, 1990, and the 24 CFR Part 85, and the Americans with Disabilities Act of 1990. If the compensation under this Contract is in excess of \$100,000 then Contractor shall comply with applicable standards, orders, or requirements issued under section 306 of the Clean Air Act (42 U.S.C. 18579h), section 508 of the Clean Water Act (33 U.S.C. 1368), Executive Order 11738, and Environmental Protection Agency Regulations (40 CFR part 15).

The Contractor must obtain and present all relevant state and local insurance, training and licensing pursuant to services required within this Contract.

The Contractor shall comply with the following laws in Sections 23-32, inclusive, and 41-43, inclusive.

23. CIVIL RIGHTS ACT OF 1964, TITLE VI (NON-DISCRIMINATION IN FEDERALLY-ASSISTED PROGRAMS)

The Contractor shall comply with the Civil Rights Act of 1964 Title VI which provides that no person shall, on the grounds of race, color, or national origin, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving federal financial assistance.

24. SECTION 109 OF THE HOUSING AND COMMUNITY DEVELOPMENT ACT OF 1974

The Contractor shall comply with Section 109 of the Housing and Community Development Act of 1974 which states that no person in the United States shall, on the grounds of race, color, national origin, or sex be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity funded in whole or in part with funds made available under this title.

25. AGE DISCRIMINATION ACT OF 1975 AND SECTION 504 OF THE REHABILITATION ACT OF 1973

The Contractor shall comply with the Age Discrimination Act of 1975 and Section 504 of the Rehabilitation Act of 1973, which require that no person in the United States shall be excluded from participating in, denied the benefits of, or subject to

discrimination under this Contract on the basis of age or with respect to an otherwise qualified disabled individual.

26. EXECUTIVE ORDER 11246 AND 11375, EQUAL OPPORTUNITY IN EMPLOYMENT (NON-DISCRIMINATION IN EMPLOYMENT BY GOVERNMENT CONTRACTORS AND SUBCONTRACTORS)

The Contractor shall comply with Executive Order 11246 and 11375, Equal Opportunity in Employment, which requires that during the performance of this Contract, the Contractor will not discriminate against any employee or applicant for employment because of race, color, religion, sex or national origin. The Contractor will take affirmative action to ensure that applicants are employed, and that employees are treated fairly during employment, without regard to their race, color, religion, sex or national origin. Such action shall include, but not be limited to the following: employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The Contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by the contracting officer setting forth the provisions of the non-discrimination clause.

The Contractor will, in all solicitations or advertisements for employees placed by or on behalf of the Contractor, state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex or national origin.

The Contractor will send to each labor union or representative of workers with which he has a collective bargaining Contract or other contract or understanding, a notice to be provided by the agency of the Contractor's commitments under Section 202 of Executive Order No. 11246 of September 24, 1965, and shall post copies of the notice in conspicuous places available to employees and applicants for employment. The Contractor will comply with all provisions of Executive Order No. 11246 of September 24, 1965, and of the rules, regulations and relevant orders of the Secretary of Labor.

The Contractor will furnish all information and reports required by the Executive Order and by the rules, regulations and orders of the Secretary of Labor, or pursuant thereto, and will permit access to its books, records, and accounts by the Commission and the Secretary of Labor for purposes of investigation to ascertain compliance with such rules, regulations and orders.

In the event of Contractor's noncompliance with the non-discrimination clauses of this Contract or with any of such rules, regulations or orders, this Contract may be canceled, terminated or suspended in whole or in part and the Contractor may be declared ineligible for further Government contracts in accordance with procedures authorized in the Executive Orders and such other sanctions may be imposed and remedies invoked as provided in the Executive Order or by rule, regulation or order of the Secretary of Labor, or as otherwise provided by law.

The Contractor will include the provisions of these paragraphs in every subcontract or purchase order unless exempted by rules, regulations, or orders of the Secretary of Labor issued pursuant to Section 204 of the Executive Order No. 11246 of September 24, 1965, that such provisions will be binding upon each subcontractor or vendor. The Contractor will take such actions with respect to any subcontract or purchase order as the Commission may direct as a means of enforcing such provisions including sanctions for noncompliance, provided however, that in the event the Contractor becomes involved in, or is threatened with litigation by a subcontractor or vendor as a result of such direction by the Commission, the Contractor may request the United States to enter into such litigation to protect the interests of the United States.

27. SECTION 3 OF THE HOUSING AND URBAN DEVELOPMENT ACT OF 1968, AS AMENDED

- A. The work to be performed under this Contract is subject to the requirements of Section 3 of the Housing and Urban Development Act of 1968, as amended, 12 U.S.C. 1701u (Section 3). The purpose of Section 3 is to ensure that employment and other economic opportunities generated by HUD assistance or HUD-assisted projects covered by Section 3, shall, to the greatest extent feasible, be directed to low-and very low-income persons, particularly persons who are recipients of HUD assistance for housing.
- B. The parties to this Contract agree to comply with HUD's regulations in 24 CFR Part 135, which implement Section 3. As evidenced by their execution of this Contract, the parties to this Contract certify that they are under no contractual or other impediment that would prevent them from complying with the Part 135 regulations.
- C. The Contractor agrees to send to each labor organization or representative of workers with which the Contractor has a collective bargaining Contract or other understanding, if any, a notice advising the labor organization or workers' representative of the Contractor's commitments under this Section 3 clause, and will post copies of the notice in conspicuous places at the work site where both employees and applicants for training and employment positions can see the notice. The notice shall describe the Section 3 preference, shall set forth minimum number and job titles subject to hire, availability of apprenticeship and training positions, the qualifications for each; and the name and location of the person(s) taking applications for each of the positions; and the anticipated date the work shall begin.
- D. The Contractor agrees to include this Section 3 clause in every subcontract subject to compliance with regulations in 24 CFR Part 135, and agrees to take appropriate action, as provided in an applicable provision of the subcontract or in this Section 3 clause, upon a finding that the subcontractor is in violation of the regulations in 24 CFR Part 135. The Contractor will not subcontract with any

subcontractor where the Contractor has notice or knowledge that the subcontractor has been found in violation of the regulations in 24 CFR Part 135.

- E. The Contractor will certify that any vacant employment positions, including training positions, that are filled (1) after the Contractor is selected but before the Contract is executed, and (2) with persons other than those to whom the regulations of 24 CFR part 135 require employment opportunities to be directed, were not filled to circumvent the Contractor's obligations under 24 CFR Part 135.
- F. Noncompliance with HUD's regulations in 24 CFR Part 135 may result in sanctions, termination of this Contract for default, and debarment or suspension from future HUD assisted contracts.
- G. With respect to work performed in connection with Section 3 covered Indian housing assistance, section 7(b) of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450e) also applies to the work to be performed under this Contract. Section 7(b) requires that to the greatest extent feasible (i) preference and opportunities for training and employment shall be given to Indians, and (ii) preference in the award of contracts and subcontracts shall be given to Indian organizations and Indian-owned Economic Enterprises. Parties to this Contract that are subject to the provisions of Section 3 and section 7(b) agree to comply with Section 3 to the maximum extent feasible, but not in derogation of compliance with section 7(b).

28. FEDERAL LOBBYIST REQUIREMENTS

The Contractor is prohibited by the Department of Interior and Related Agencies Appropriations Act, known as the Byrd Amendments, and HUD's 24 CFR Part 87, from using federally appropriated funds for the purpose of influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, loan or cooperative Contract, and any extension, continuation, renewal, amendment or modification of said documents.

The Contractor must certify in writing on the Federal Lobbyist Requirements Certification form that they are familiar with the Federal Lobbyist Requirements and that all persons and/or subcontractors acting on behalf of the Contractor will comply with the Lobbyist Requirements.

Failure on the part of the Contractor or persons/subcontractors acting on behalf of the Contractor to fully comply with the Federal Lobbyist Requirements may be subject to civil penalties.

29. NOTICE TO EMPLOYEES REGARDING THE FEDERAL EARNED INCOME CREDIT

The Contractor shall notify its employees, and shall require each subcontractor to notify its employees, that they may be eligible for the Federal Earned Income Credit under the federal income tax laws. Such notice shall be provided in accordance with the requirements set forth in Internal Revenue Service Notice 1015.

30. USE OF RECYCLED-CONTENT PAPER PRODUCTS

Consistent with the Board of Supervisors' policy to reduce the amount of solid waste deposited at the County landfills, the Contractor agrees to use recycled-content paper to the maximum extent possible on the Project.

31. CONTRACTOR RESPONSIBILITY AND DEBARMENT

- A. A responsible contractor is a contractor, consultant, vendor, or operating agency who has demonstrated the attribute of trustworthiness, as well as quality, fitness, capacity and experience to satisfactorily perform the contract. It is the policy of the Commission, Housing Authority, and County to conduct business only with responsible contractors.
- B. The Contractor is hereby notified that if the Commission acquires information concerning the performance of the Contractor on this or other contracts which indicates that the Contractor is not responsible, the Commission may, in addition to other remedies provided in the contract, debar the Contractor from bidding or proposing on, or being awarded, and/or performing work on Commission contracts for a specified period of time, which generally will not to exceed five years but may exceed five years or be permanent if warranted by circumstances, and terminate any or all existing contracts the Contractor may have with the Commission.
- C. The Commission may debar a contractor, consultant, vendor or operating agency if the Board of Commissioners finds, in its discretion, that the contractor, consultant, vendor, or operating agency has done any of the following: (1) violated any term of a contract with the Commission, Housing Authority, or County, or a nonprofit corporation created by the Commission, Housing Authority, or County (2) committed any act or omission which negatively reflects on the its quality, fitness or capacity to perform a contract with the Commission, Housing Authority, or County or any other public entity, or a nonprofit corporation created by the Commission, Housing Authority, or County, or engaged in a pattern or practice which negatively reflects on same, (3) committed an act or offense which indicates a lack of business integrity or business honesty, or (4) made or submitted a false claim against the Commission, Housing Authority, County, or any other public entity.

- D. If there is evidence that the Contractor may be subject to debarment, the Commission will notify the Contractor in writing of the evidence, which is the basis for the proposed debarment and will advise the Contractor of the scheduled date for a debarment hearing before the Contractor Hearing Board.
- E. The Contractor Hearing Board will conduct a hearing where evidence on the proposed debarment is presented. The Contractor and/or the Contractor's representative shall be given an opportunity to submit evidence at that hearing. After the hearing, the Contractor Hearing Board shall prepare a tentative proposed decision, which shall contain a recommendation regarding whether the Contractor should be debarred, and, if so, the appropriate length of time of the debarment. The Contractor and the Commission shall be provided an opportunity to object to the tentative proposed decision prior to its presentation to the Board of Commissioners.
- F. After consideration of any objections, or if no objections are submitted, a record of the hearing, the proposed decision and any other recommendation of the Contract Hearing Board shall be presented to the Board of Commissioners. The Board of Commissioners shall have the right to modify, deny or adopt the proposed decision and recommendation of the Hearing Board.
- G. If a Contractor has been debarred for a period longer than five years, that Contractor may, after the debarment has been in effect for at least five years, submit a written request for review of the debarment determination to reduce the period of debarment or terminate the debarment. The Commission may, in its discretion, reduce the period of debarment or terminate the debarment if it finds that the Contractor has adequately demonstrated one or more of the following: (1) elimination of the grounds for which the debarment was imposed; (2) a bona fide change in ownership or management; (3) material evidence discovered after debarment was imposed; or (4) any other reason that is in the best interests of the Commission.
- H. The Contractor Hearing Board will consider a request for review of the debarment determination only where (1) the Contractor has been debarred for a period longer than five years; (2) the debarment has been in effect for at least five years; and (3) the request is in writing, states one or more of the ground for reduction of the debarment period or termination of the debarment, and includes supporting documentation. Upon receiving an appropriate request, the Contractor Hearing Board will provide notice of the hearing on the request. At the hearing, the Contractor Hearing Board shall conduct a hearing where evidence on the proposed reduction of debarment period or termination of debarment is presented. This hearing shall be conducted and the request for review decided by the Contractor Hearing Board pursuant to the same procedures as for a debarment Hearing.

The Contractor Hearing Board's proposed decision shall contain a recommendation on the request to reduce the period of debarment or terminate the debarment. The Contractor Hearing Board shall present its proposed decision and recommendation to the Board of Commissioners. The Board of Commissioners shall have the right to modify, deny or adopt the proposed decision and recommendation of the Contractor Hearing Board.

- I. These terms shall also apply to subcontractors and subconsultants of County, Commission, or Housing Authority contractors, consultants, vendors and operating agencies.

32. COMPLIANCE WITH JURY SERVICE PROGRAM

- A. Unless the Contractor has demonstrated to the Commission satisfaction either that Contractor is not a "Contractor" as defined under the Jury Service Program or that Contractor qualifies for an exception to the Jury Service Program, Contractor shall have and adhere to a written policy that provides that its Employees shall receive from the Contractor, on an annual basis, no less than five days of regular pay for actual jury service. The policy may provide that Employees deposit any fees received for such jury service with the Contractor or that the Contractor deduct from the Employee's regular pay the fees received for jury service.
- B. For purposes of this Section, "Contractor" means a person, partnership, corporation or other entity which has a contract with the County or a subcontract with a County contractor and has received or will receive an aggregate sum of \$50,000 or more in any 12-month period under one or more County contracts or subcontracts. "Employee" means any California resident who is a full time employee of Contractor. "Full time" means 40 hours or more worked per week, or a lesser number of hours if: 1) the lesser number is a recognized industry standard as determined by the County, or 2) Contractor has a long-standing practice that defines the lesser number of hours as full-time. Full-time employees providing short-term, temporary services of 90 days or less within a 12-month period are not considered full-time for purposes of the Jury Service Program. If Contractor uses any subcontractor to perform services for the County under the Contract, the subcontractor shall also be subject to the provisions of this Section. The provisions of this Section shall be inserted into any such subcontract Contract and a copy of the Jury Service Program shall be attached to the Contract.
- C. If the Contractor is not required to comply with the Jury Service Program when the Contract commences, Contractor shall have a continuing obligation to review the applicability of its "exception status" from the Jury Service Program, and Contractor shall immediately notify County if Contractor at any time either comes within the Jury Service Program's definition of "Contractor" or if Contractor no longer qualifies for an exception to the Program. In either event, Contractor shall

immediately implement a written policy consistent with the Jury Service Program. The County may also require, at any time during the Contract and at its sole discretion, that Contractor demonstrate to the County's satisfaction that Contractor either continues to remain outside of the Jury Service Program's definition of "Contractor" and/or that Contractor continues to qualify for an exception to the Program.

- D. The Contractor's violation of this Section of the contract may constitute a material breach of the Contract. In the event of such material breach, County may, in its sole discretion, terminate the Contract and/or bar Contractor from the award of future County contracts for a period of time consistent with the seriousness of the breach.

33. ACCESS AND RETENTION OF RECORDS

The Contractor shall provide access to the Commission, the Federal Grantor agency, the Comptroller General of the United States, or any of their duly authorized representatives to any books, documents, papers and records of the Contractor which are directly pertinent to this Contract for the purpose of making audits, examinations, excerpts and transcriptions.

The Contractor is required to retain the aforementioned records for a period of five years after the Commission pays final payment and other pending matters are closed under this Contract.

34. CONFLICT OF INTEREST

The Contractor represents, warrants and agrees that to the best of its knowledge, it does not presently have, nor will it acquire during the term of this Contract, any interest direct or indirect, by contract, employment or otherwise, or as a partner, joint venture or shareholder (other than as a shareholder holding a one (1%) percent or less interest in publicly traded companies) or affiliate with any business or business entity that has entered into any contract, subcontract or arrangement with the Commission. Upon execution of this Contract and during its term, as appropriate, the Contractor shall, disclose in writing to the Commission any other contract or employment during the term of this Contract by any other persons, business or corporation in which employment will or may likely develop a conflict of interest between the Commission's interest and the interests of the third parties.

35. SEVERABILITY

In the event that any provision herein is held to be invalid, void, or illegal by any court of competent jurisdiction, the same shall be deemed severable from the remainder of this Agreement and shall in no way affect, impair or invalidate any other provision contained herein. If any such provision shall be deemed invalid due

to its scope or breadth, such provision shall be deemed valid to the extent of the scope or breadth permitted by law.

36. INTERPRETATION

No provision of this Contract is to be interpreted for or against either party because that party or that party's legal representative drafted such provision, but this Contract is to be construed as if drafted by both parties hereto.

37. WAIVER

No breach of any provision hereof can be waived unless in writing. Waiver of any one breach of any provision shall not be deemed to be a waiver of any breach of the same or any other provision hereof.

38. PATENT RIGHTS

The Commission will hold all the patent rights with respect to any discovery or invention, which arises or is developed in the course of, or under this Contract.

39. COPYRIGHT

No report, maps, or other documents produced in whole or in part under this Contract shall be the subject of an application for copyright by or on behalf of the Contractor. All such documents become the property of the Commission and the Commission holds all the rights to said data.

40. NOTICES

The Commission shall provide the Contractor with notice of any injury or damage arising from or connected with services rendered pursuant to this Contract to the extent that Commission has actual knowledge of such injury or damage. Commission shall provide such notice within ten (10) days of receiving actual knowledge of such injury or damage.

Notices provided for in this Contract shall be in writing and shall be addressed to the person intended to receive the same, at the following address:

The Commission: Corde Carrillo, Director
 Economic/Redevelopment Division
 Community Development Commission of the
 County of Los Angeles
 2 Coral Circle
 Monterey Park, CA 91755

The Contractor: Jill Dominguez
ESSERGY Consulting
235 E. Broadway, #520
Long Beach, CA 90802

Notices addressed as above provided shall be deemed delivered three (3) business days after mailed by U.S. Mail or when delivered in person with written acknowledgement of the receipt thereof. The Contractor and the Commission may designate a different address or addresses for notices to be sent by giving written notice of such change of address to all other parties entitled to receive notice.

41. NOTICE TO EMPLOYEES REGARDING THE SAFELY SURRENDERED BABY LAW

The Contractor shall notify and provide to its employees, and shall require each subcontractor to notify and provide to its employees, a fact sheet regarding the Safely Surrendered Baby Law, its implementation in Los Angeles County, and where and how to safely surrender a baby. The fact sheet is set forth in *Attachment D – Required Contract Notices* of this Contract and is also available on the Internet at www.babysafela.org for printing purposes.

42. CONTRACTOR'S ACKNOWLEDGMENT OF COMMISSION'S COMMITMENT TO THE SAFELY SURRENDERED BABY LAW

The Contractor acknowledges that the Commission places a high priority on the implementation of the Safely Surrendered Baby Law. The Contractor understands that it is the Commission's policy to encourage all Commission Contractors to voluntarily post the Commission's "Safely Surrendered Baby Law" poster in a prominent position at the Contractor's place of business. The Contractor will also encourage its Subcontractors, if any, to post this poster in a prominent position in the Subcontractor's place of business. The Department of Children and Family Services of the County of Los Angeles will supply the Contractor with the poster to be used.

43. CONTRACTOR'S CHARITABLE CONTRIBUTIONS COMPLIANCE

The Supervision of Trustees and Fundraisers for Charitable Purposes Act regulates entities receiving or raising charitable contributions. The "Nonprofit Integrity Act of 2004" (SB 1262, Chapter 919) increased Charitable Purposes Act requirements. By requiring Contractors to complete the Charitable Contributions Certification as included in *Attachment C – Required Contract Forms*, the Commission seeks to ensure that all Commission contractors that receive or raise charitable contributions comply with California law in order to protect the Commission and its taxpayers. A Contractor that receives or raises charitable contributions without complying with its obligations under California law commits a material breach subjecting it to either contract termination or debarment proceedings, or both.

44. ENTIRE CONTRACT

This Contract with Attachments A through D constitutes the entire understanding and Contract of the parties. This Contract includes the following attachments:

- A. Statement of Work
- B. Fee Schedule
- C. Required Contract Forms
- D. Required Contract Notices

SIGNATURES

IN WITNESS WHEREOF, the Commission and the Contractor, through their duly authorized officers, have executed this Contract as of the date first above written.

COMMUNITY DEVELOPMENT COMMISSION
OF THE COUNTY OF LOS ANGELES

ESSERGY Consulting

By _____
Sean Rogan
Executive Director

By _____
Jill Dominguez, Principal

APPROVED AS TO FORM:
Robert E. Kalunian
Acting County Counsel

APPROVED AS TO PROGRAM:
ECONOMIC/REDEVELOPMENT DIVISION

By _____
Behnaz Tashakorian, Deputy

By _____
Corde Carrillo, Director

ATTACHMENT A STATEMENT OF WORK

1.0 SCOPE OF WORK

The Community Development Commission of the County of Los Angeles (Commission) is the County's community development agency. The Commission helps strengthen neighborhoods, empower families, support local economies, and promote individual achievement. The Commission maintains many administrative buildings and 72 housing developments that include over 3,600 residential units within the County of Los Angeles.

The Commission is seeking a contractor to determine the role of a proposed business incubator in Whiteside. The purpose of this Scope of Work is to set forth the basic requirements and specific tasks needed to create an incubator for start-up and early stage companies focused on sustainable/renewable energy innovation in the Whiteside area of Los Angeles County.

BACKGROUND

Creating sustainable/renewable energy resources is a major initiative of the Obama Administration. It has been policy in California since the passage of AB 32, the Global Warming Solutions Act of 2006. The California Air Resources Board, charged with implementing AB 32, cites transformative economic, social, health, tax and personal savings due to "green" strategies driven in large measure by innovations in sustainable/renewable sources of energy. President Obama has added security concerns to the list.

California leads the nation in both technological ingenuity and small business development. California entrepreneurs are evolving novel solutions to address every element of energy development and use, in basic chemistry and physics, device and collection, storage and distribution, commercialization and manufacturing, and management and conservation.

Innovation and small business go hand in hand. SBA studies show that small businesses account for over 70% of new innovations, the highest and best use of patents, and ultimately more than 90% of new employment. During the earliest and most risky stages of their growth, pioneering small businesses often find themselves isolated from potential collaborators and outside the financial system looking in. In the best of times, small businesses need support to start-up and stay up through their early years in the form of technical, business, financial, and administrative help.

In today's precarious economy, small businesses find that acquiring the business savvy and financing to grow is even more daunting than usual. Given the

outsized economic benefits that small technology businesses generate when they succeed, it is important that they secure the help they need to make it through their most dangerous period of growth.

Incubators historically have been an important element of the early stage support for innovative small businesses expansion. Incubators create direct job and tax benefits in the neighborhoods in which they operate, and multipliers when their businesses graduate, especially since the vast majority of graduated businesses remain in the area. More than ever, incubators have become a critical part of the economic development mix.

The Commission is seeking a contractor to determine the role of a proposed sustainable energy incubator in the Whiteside area of Los Angeles County.

DEFINING SUSTAINABLE/RENEWABLE ENERGY BUSINESS

Our preliminary eligible technologies and approaches for participation in the incubator include:

- **Include Energy-Producing Resources.** For the purposes of this Statement of Work, sustainable/renewable energy may be defined as energy produced by wind, air, or water converted directly into useable electrical energy; solar arrays and concentrators; biomass or waste products converted directly or recycled into energy; enhancements of current fuels or new fuels that reduce carbon dioxide emissions and lead to a sustainable future.
- **Included Applications.** Applications may be stationary or mobile, or involve the storage and/or distribution of energy, including batteries. Stationary applications may relate to commercial or housing buildings, structures, and devices. Mobile applications may include individual and mass transit. Transmission may include electrical, natural gas, or other forms of moving energy from where it is produced to where it is used.
- **Included Research and Commercialization.** Basic and materials research will not be supported by this incubator, but research that leads to a salable product or service will be. The process of commercialization of technologies itself will be eligible, as will software that enhances the production or distribution of energy.

TASKS AND SCHEDULE

The construction of the incubator will proceed in three phases. At the end of Phase I, the Commission will determine whether to proceed to the next phase. It is anticipated that Phases 2 and 3 will overlap in time, to some extent. The Contractor must create a timeline and cost schedule for accomplishing the tasks

below, and must document assertions with current economic and other data from published and professionally recognized sources.

The Contractor also must determine and specify the deliverables associated with each task or group of tasks, and should specify them as separate items on the timeline.

2.0 GENERAL REQUIREMENTS

- 2.1** The Contractor will determine the role of the proposed incubator to support Whiteside's broader economic development objectives and assess the impact the project might have to help the region meet these objectives. The Contractor should review the potential targeted industry cluster and potential for being a catalyst for economic growth.
- 2.2** The Contractor must be skilled in the creation of a feasibility study for a possible technology incubator. The Contractor must be well versed in demographics, sustainable business models and regional technology clusters. The Contractor should also be proficient in obtaining funding for this type of project.
- 2.3** The Contractor shall identify and provide all data and an analysis to assess the feasibility and desirability of a business incubator. The written report shall be presented and include a cover page, table of contents, executive summary, report and conclusions.

3.0 SPECIFIC WORK REQUIREMENTS

Phase 1: Determining the Feasibility of Building the Incubator

- 3.1** The Contractor shall establish the need for the incubator in terms of the economic and social structure and needs of the area, the supporting facilities, the potential cluster or other related technology cluster, and the presence of potential client companies.
- 3.2** The Contractor shall review and demonstrate whether there is a need for incubation services, including any absence of private sector business development infrastructure as well as demand for such services; Analyze whether the quality of the local business community support system can assist a successful technology incubator;
- 3.3** The Contractor shall demonstrate whether there is sufficient deal flow to populate a facility; Identify the volume of new technology company births;
- 3.4** The Contractor shall identify the existing and potential feeder institutions for the incubator. These would include but not be limited to regional universities, federal research and development laboratories, existent

technology organizations and companies that could potentially spin-off technology startups;

- 3.5 The Contractor shall determine current technology transfer and patent activities underway from public and private sector organizations;
- 3.6 The Contractor shall demonstrate that the clients and tenants of an incubator would likely be value-adding enterprises in the specific high technology sectors;
- 3.7 The Contractor shall demonstrate that an incubator program would be compatible with and welcomed by existing regional economic development approaches and entities;
- 3.8 The Contractor shall conduct analysis of existing business development infrastructure, including seed and venture capital, and interview key informants; Determine whether a sustainable Angel network or venture capital community can be accessed formed or developed;
- 3.9 The Contractor shall conduct the necessary community outreach to identify sources of support and potential objections to the incubator;
- 3.10 The Contractor shall propose a possible site or sites for the incubator in the unincorporated area of Los Angeles County called Whiteside and the cost for procuring it;
- 3.11 The Contractor shall assess the time and money needed to prepare the site for the building;
- 3.12 The Contractor shall prepare a report detailing next steps in funding, building and occupying the incubator along with a realistic timeline;
- 3.13 The Contractor shall determine the products and services that such an incubator will be required to deliver to their clients to be successful. These might include but should not be limited to individual office space to be leased at market or slightly below market rates, smart building technology with high speed internal and external communications support, meeting and demonstration space, along with state-of-the art electronic presentation and virtual meeting technology, parking for clients, customers, and guests, shared office equipment and support for incubator clients sufficient to provide professional presentations, counseling, coaching, training, and advertising support for incubator clients, plus access to local technical assistance providers and business/technology mentors, access to university and other research, commercialization advice, and manufacturing expertise through referrals, marketing support

and advice, and regular reviews of status of clients and degree of success in meeting technology and business projections;

- 3.14 The Contractor shall recommend the feasibility of the continuation of this assessment. Develop alternative scenario and likely outcomes for implementing an incubator;
- 3.15 The Contractor shall submit all reports and data to the Commission within three months of the contract date;
- 3.16 The Contractor shall make an oral presentation of the report to the Commission and invited guests within one month of completion of the study.

Phase 2: Building the Incubator

The Contractor shall perform Phase 2 at the request of the Commission.

- 3.17 The Contractor shall assess whether there is an appropriate existing facility appropriate for use as a technology incubator; and the approximate cost of refurbishing a facility and available grant money for same; Investigate the possibility of other strategic partnerships to defray the costs of operations;
- 3.18 If no facility is available then the approximate cost of locating and building a facility and available grant money for same; Investigate the possibility of other strategic partnerships to defray the costs of operations;
- 3.19 The Contractor shall determine the principal operations that would optimize the success of a technology incubator. These operations might include technology transfer, operational and business staff, consultants to businesses;
- 3.20 The Contractor shall write overall business plan for incubator, with special emphasis on marketing, finance, and staffing;
- 3.21 The Contractor shall determine the necessary components of the incubator;
- 3.22 The Contractor shall insure that the incubator may be a stand-alone building or part of a technology park or installation. It must comprise a minimum of 20,000 square feet of useable space;
- 3.23 The Contractor shall guide in the development of a design for the incubator.

Phase 3: Operating the Incubator

The Contractor should develop, adjust and recommend:

- 3.24** The Contractor shall adjust business plan as needed;
- 3.25** The Contractor shall create incubator budget and reporting strategy and schedule;
- 3.26** The Contractor shall determine legal status for incubator and legal relationship between incubator management and clients and create necessary documentation for same;
- 3.27** The Contractor shall identify potential advisory board members for incubator;
- 3.28** The Contractor shall develop policies and supporting documentation for evaluating applicants and clients;
- 3.29** The Contractor shall create evaluation criteria and plan for evaluating performance of incubator;
- 3.30** The Contractor shall develop client technical, business, and financial plans and policies, plus community commissions, boards, and volunteer groups to support them;
- 3.31** The Contractor shall devise a method for judging the success of client businesses and the incubator as a whole;
- 3.32** The Contractor shall determine the guidelines for client applicant technology and application and current potential for commercialization;
- 3.33** The Contractor shall determine the quality of applicant's business model and ability to execute it;
- 3.34** The Contractor shall evaluate the graduation readiness of potential applicant;
- 3.35** The Contractor shall develop guidelines for clients progress in meeting deadlines for business development and graduation;
- 3.36** The Contractor shall provide a qualified Project Manager with a local office;
- 3.37** The Contractor shall provide lead personnel that can communicate in English.

4.0 RESPONSIBILITIES

The Commission and the Contractor's responsibilities are as follows:

Commission

4.1 Personnel

- 4.1.1 The Commission shall provide direction to the Contractor in areas relating to policy, information and procedural requirements.
- 4.1.2 The Commission shall prepare amendments to the Contract in accordance with the Contract.

Contractor

4.2 Project Manager

- 4.2.1 The Contractor shall provide a full-time Project Manager with five (5) years of experience in managing projects of similar size and scope as contained in this Statement of Work.
- 4.2.2 The Contractor's Project Manager shall act as a central point of contact with the Commission and shall have full authority to act for the Contractor on all matters relating to the daily operation of the Contract.
- 4.2.3 The Contractor shall provide a telephone number where the Project Manager may be reached anytime during the business day. The Project Manager must be available during the hours of 8:00 a.m. to 5:00 p.m., Monday through Friday.
- 4.2.4 The Contractor's Project Manager shall be able to effectively communicate, in English, both orally and in writing.

4.3 Personnel

- 4.3.1 The Contractor shall assign a sufficient number of employees to perform the required work. At least one employee on site shall be authorized to act for the Contractor in every detail and must be able to communicate effectively.
- 4.3.2 The Commission requires the Contractor, at the Contractor's expense, to conduct background security checks on their employees assigned to the Contract.

4.5 Materials and Equipment

The Contractor is responsible for the purchase of all materials/equipment to provide the needed services. The Contractor shall use materials and equipment that are safe for the environment and safe for use by the Contractor's employee.

4.6 Contractor's Office

The Contractor shall maintain an office with a telephone in the company's name where the Contractor conducts business. At least one employee who can respond to inquiries and complaints that may be received about the Contractor's performance of the Contract shall staff the office during the hours of 8:00 a.m. to 5:00 p.m., Monday through Friday.

5.0 HOURS / DAYS OF WORK

Commission office hours are from 8:00 a.m. to 5:00 p.m. Commission offices are closed on the following Holidays:

- New Years Day
- Martin Luther King Day
- Presidents Day
- Memorial Day
- Independence Day
- Labor Day
- Columbus Day
- Veterans Day
- Thanksgiving Day
- Christmas Day

6.0 QUALITY CONTROL PLAN

The Contractor shall establish and utilize a comprehensive Quality Control Plan to assure the Commission a consistently high level of quality and service throughout the term of the Contract. The Plan shall be submitted to the Commission for review. The plan shall include, but not be limited to the following:

- Method of monitoring to ensure that Contract requirements are being met;
- A record of all inspections conducted by the Contractor;
 - any corrective action taken,
 - the time a problem was first identified,
 - a clear description of the problem,
 - and the time elapsed between identification and completed corrective action,
- The record shall be provided to the Commission upon request.

7.0 ADDITION/DELETION OF SERVICES

The Commission reserves the right to add or delete services during the term of the Contract. The Contractor's fees will be adjusted by negotiation between the Commission and the Contractor.

ATTACHMENT B

FEE SCHEDULE

The Contractor shall perform feasibility study consulting services as described in Attachment A, Statement of Work, and the Commission shall pay the Contractor according to the following schedule:

PHASE 1			
ITEM	HOURS	HOURLY RATE	TOTAL
Labor			
Dominguez	120	\$200.	\$24,000.
Consulting			
Tornatzsky	80	\$200.	\$16,000.
Other consulting	30	\$200.	\$6,000.
Interns	80	\$50.	\$4,000.
Direct Material, travel, etc.			\$500.
Total Amount			\$68,500.